

## **Tata Capital Financial Services Limited – Guaranteed Emergency Credit Line (TGECL) – FAQs**

### **1. What is Emergency Credit Line Guarantee Scheme?**

Government of India through Ministry of Finance, Department of Financial Services has introduced the Emergency Credit Line Guarantee Scheme (ECLGS) for providing 100% guarantee coverage for additional term loans up to 20% of their entire outstanding credit up to Rs. 50 crores i.e. up to Rs. 10 crores, as on February 29<sup>th</sup>, 2020, subject to account being less than or equal to 60 days past due as on that date.

### **2. Who is eligible to avail this scheme benefits?**

- a) All business enterprises/MSME borrower accounts with combined outstanding loans across all Member Lending Institutions of up to Rs 50 crore as on 29.02.2020 and annual turnover of up to Rs 250 crore for FY 2019 – 20
- b) Borrower accounts should be less than 60 days past due as on 29th February 2020 in order to be eligible under the Scheme.
- c) Loans provided to Business Enterprises / MSMEs constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs) shall be eligible under the Scheme.
- d) Loans provided in individual capacity are not covered under the Scheme.
- e) The Scheme is valid for existing customers of TCFSL.
- f) Business Enterprises / MSME borrower must be GST registered in all cases where such registration is mandatory. This condition will not apply to Business Enterprises / MSMEs that are not required to obtain GST registration.

### **3. Which loan customers of Tata Capital Financial Services Limited (TCFSL) are eligible for availing these benefits?**

#### **A. Eligibility:**

- i. Any Business Enterprises / MSMEs constituted as Proprietorship, Partnership, Registered Company, Trusts and Limited Liability Partnerships (LLPs) and are eligible for availing these benefits

#### **B. Criteria:**

- I. All live loans as on 29<sup>th</sup> Feb'20
- II. Principal Outstanding Amount greater than ₹ 2.5 Lakhs as on 29<sup>th</sup> Feb'20
- III. DPD should be less than 60 days as on 29th Feb'20
- IV. Should not be classified as fraud / write-off
- V. All existing facilities wherein entity is the primary applicant / primary co-applicant (i.e. wherever applicant is a non-individual entity) are eligible for funding
- VI. Loans provided in individual capacity/HUF/Society and AOP are not eligible for funding

#### **C. Applicant / Co-Applicant Criteria in Existing TCFSL Loan:**

- I. All existing facilities wherein entity is the primary applicant / primary co-applicant (i.e. wherever applicant is a non-individual entity) are eligible for funding
- II. Loans provided in individual capacity are not eligible for funding

### **4. What if I have a loan with other borrowers, will I be eligible for this scheme benefits?**

Yes, subject to cumulative outstanding across all lenders (including TCFSL) should be less than or equal to ₹ 50 Crores

### **5. What are the annual turnover criteria for availing this scheme benefit?**

Annual turnover for FY19-20 should be less than or equal to ₹ 250 Cr. (In case accounts for FY 2019-20 are yet to be audited/finalized, Borrower's declaration of turnover)

**6. How much loan can I get under this scheme if I meet all parameters?**

20% of POS (Principal Outstanding) of TCFSL existing loan as on 29th Feb'20 is eligible for the funding

**7. What is the tenure of this loan?**

48 months including principal moratorium for first 12 months

**8. What documents I will require to avail this loan?**

- Application Form
- Fresh KYC
- TGECL specific loan agreement
- MOE / MODT; wherever applicable
- NACH / PDC/Debit Mandates as per existing norms
- MSME Registration Certificate and SSI/ Udyog Aadhar Card (as applicable)
- Audited ITRs of Assessment Year 2019-20 (FY: 2018-19)
- GST Registration for Business Enterprises / MSMEs eligible under GST, if applicable
- Declaration from Borrower on Turnover and Outstanding Loans as on 29th Feb'20

**9. What will be the charges, interest applicable on this loan?**

Processing Fees and Pre-Payment charges are NIL. No penal interest due to any non-compliance of the already accepted covenants on the existing credit facilities to be charged on additional loans (TGECL) during the sanction time. However, such penal charges can be levied on the existing facility as per applicable terms and conditions.

**10. What are the repayment criteria for loan?**

- Maximum 4 years (48 months) from the date of disbursement, which include Principal Moratorium for 12 months.
- During the Principal Moratorium i.e. initial 12 months; only interest is to be serviced
- Post 12 months for the next 36 months EMI is to be serviced

**11. Can new MSME borrowers get covered under the scheme?**

ECLGS scheme is only for existing borrowers on the books of the banks as on 29th Feb 2020. Any New borrowers should be covered under ongoing CGTMSE and NCGTC schemes

For more information, kindly refer NCGTC Guidelines at <https://www.eclgs.com/>